

IMPACT OF SIGIR OPERATIONS

SIGIR's work impacts many aspects of the U.S. mission in Iraq and the Government of Iraq. To validate the financial or non-financial benefits resulting from SIGIR work, SIGIR requires the staff to document the connection between the benefits reported and the work performed. SIGIR recommendations have enabled U.S. and Iraqi reconstruction management officials to:

- reduce expenditures and improve efficiency and effectiveness
- implement or improve fund and asset controls
- enhance construction quality by ensuring adequacy of design specifications, stopping inadequate construction, and avoiding re-work
- increase potential oil revenue
- avoid waste and unnecessary expenditures

Impact of SIGIR Audits

SIGIR reports the financial impact of audits semiannually, as required by law. Through January 30, 2008, SIGIR Audits saved and recovered funds of about \$57.9 million and improved the use of \$40.0 million of funds. SIGIR Audits also challenged payments of \$7.56 million, including possible duplicate payments, overpayments, or for work that was not completed. This is an increase of \$32.2 million since the SIGIR July 30, 2007 report. The majority of the savings (\$29 million) resulted from a SIGIR recommendation that the Defense Contract Audit Agency (DCAA) review contractor invoices for the Iraqi Police Training Program. For a detailed listing of these financial impacts, see Table C-1.

Significant non-financial benefits include those associated with a recommendation that Kellogg Brown and Root Services, Inc. (KBR) discontinue the practice of routinely marking almost all of the information it provides to the U.S. government as “KBR proprietary data.” The government’s prohibition of this practice results in improved accountability (improved management and internal controls).

DETAIL OF IMPACT OF SIGIR AUDITS (\$ MILLIONS)

	Audit #	Dollars Saved/Funds Recovered	Better Use	Challenged Payments	Non-financial Impact
Federal Deployment Center Forward Operations at the Kuwait Hilton	04-003 DFI	\$19.00			
Oversight of Funds Provided to Iraqi Ministries through the National Budget Process	05-004 DFI				Improved controls over payroll
	05-017 DFI		\$7.80		
Award Fee Process for Contractors Involved in Iraq Reconstruction	7/16/05	\$.53 ^a			
	9/20/05	\$.67 ^b			
Review of Task Force Shield Programs	06-009	\$12.80			Improved property accountability
Review of the MNSTC-I Reconciliation of the Iraqi Armed Forces Seized Assets Fund/Iraqi Armed Forces Seized Assets Fund: Review of Contracts and Financial Documents	06-010/015	\$1.50 ^c		\$3.46	
Survey of the Status of Funding for Iraq Programs Allocated to the DoS Bureau of International Narcotics and Law Enforcement Affairs, as of December 31, 2005	06-016	\$23.30 ^d			
Controls Over Unliquidated Obligations in the Iraq Relief and Reconstruction Fund	07-011		\$3.20		
Interim Review of DynCorp International, LLC, Spending Under Its Contract for the Iraqi Police Training Program	07-016	\$.10	\$29.00	\$4.10	
Total		\$57.90	\$40.00	\$7.56	

Notes:

^a Recovery of cash turned in to Comptroller by audit and investigations: \$527,456.

^b Recovery of cash turned in to Comptroller by audit and investigations: \$670,664.

^c Audit recommendations resulted in de-obligation of \$1,512,303.29 from multiple contracts.

^d Audit recommendation prevented loss of medical equipment, which would have resulted in about \$23.30 million in replacement cost, per independent assessment.

TABLE C-1

Impact of SIGIR Investigations

SIGIR investigators have recovered or seized assets valued at about \$17.2 million as a result of court-ordered restitution and forfeiture. Investigators also prevented about \$3.8 million of incurred cost by alerting contracting officers to improper contracts. SIGIR’s investigative work contributed to improving controls in contracting and financial management and identified another \$2.1 million in potential recovery. For details, see Table C-2.

These impacts are the result of investigative actions from 336 open, closed, or referred cases. Seized funds were recovered from subjects identified in ongoing and closed SIGIR investigations. Recoveries are documented from fraudulent payments and seizures of unaccounted-for cash. Property seizures reflect the assessed value of currently seized assets purchased with illegally obtained funds and recovered in criminal investigations.

DETAIL OF FINANCIAL-RELATED IMPACT OF SIGIR INVESTIGATIONS (\$ MILLIONS)

	COURT-ORDERED RESTITUTION/ FORFEITURE	COST AVOIDANCE	POTENTIAL RECOVERY
Total	\$17.2	\$3.8	\$2.1

Note:
Numbers are provided in aggregate. Individual tracking is done on a case level and maintained by SIGIR AIG for Investigations.

TABLE C-2

